

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6875

BILL NUMBER: HB 1103

NOTE PREPARED: Jan 19, 2006

BILL AMENDED: Jan 17, 2006

SUBJECT: Boat Dealers.

FIRST AUTHOR: Rep. Yount

FIRST SPONSOR: Sen. Steele

BILL STATUS: As Passed House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Watercraft Dealer:* This bill defines a dealer for purposes of watercraft sales as a person who sells at least six: (1) boats; or (2) trailers designed and used exclusively for the transportation of watercraft and sold in general association with the sale of watercraft; a year. (Current law defines a dealer for purposes of watercraft sales as a person who sells at least six boats a year.).

Abandoned Vehicles: It provides that a trailer or semitrailer used in the transportation of watercraft may be considered to be an abandoned vehicle under certain circumstances.

Birthday: The bill provides that if the birthday on which a driver's license issued after 2006 would otherwise expire falls on Sunday, a legal holiday, or a weekday when all license branches, full-service providers, and partial-service providers in the driver's license holder's county of residence are closed, the driver's license of the holder does not expire until midnight of the first day after the birthday on which a license branch, full-service provider, or partial-service provider is open for business in the holder's county of residence.

Effective Date: Upon passage; July 1, 2006.

Explanation of State Expenditures:

Explanation of State Revenues: *Watercraft Dealer:* This provisions of this proposal might increase the number of dealers subject to licensure and, thus, may increase fee revenue. Current law provides that boat dealers who sell at least six boats a year to the general public for delivery in Indiana must obtain a two-year license and pay the annual fees shown below.

Business Licenses

Class A dealer (more than one business location)

One-year license: \$30+\$10 for each additional location

Two-year license: \$60+\$20 for each additional location

Class B dealer (one business location)

One-year license: \$20

Two-year license: \$40

Background Information - Revenue from the fees is deposited into the Fish and Wildlife Fund. Revenue in CY 2004 amounted to \$7,745 from dealer licenses and \$2,240 from discount dealer licenses.

Abandoned Vehicles: Adding trailer or semitrailer used in the transportation of watercraft to the list of abandoned vehicles may result in additional revenue to the Abandoned Vehicle Fund.

Background Information: If an abandoned vehicle is valued at more than \$500 and is not claimed, it may be sold. The purchaser of an abandoned vehicle must purchase a bill of sale for a fee of \$6.

Cities of the first class and second class and counties may elect to sell and keep revenues from vehicles abandoned in their jurisdictions (IC 9-22-1-23, 27). The city or Bureau of Motor Vehicles (BMV) is responsible for notifying the owner of the vehicle. Revenue from abandoned vehicles has averaged approximately \$486,000 per year. All revenue collected by the BMV is paid into the Abandoned Vehicle Fund to be used to pay administrative expenses. At the end of every fiscal year, all monies in excess of \$37,000 are transferred to the Motor Vehicle Highway Account.

Birthday: This provision may reduce the amount of late fees collected (\$5), but the reduction is expected to be minimal. Data are not available to show the amount of late fees due to being one day late. The fund affected is the state License Branch Fund, which supports the operation of the license branches throughout the state.

Explanation of Local Expenditures:

Explanation of Local Revenues: See *Explanation of State Revenues*.

State Agencies Affected: Bureau of Motor Vehicles; Department of Natural Resources.

Local Agencies Affected: Cities of the first and second class and counties.

Information Sources: Department of Natural Resources *Dealer Section Report for CY 2004*; *Indiana Handbook of Taxes, Revenues, and Appropriations FY 2005*, page 290.

Fiscal Analyst: James Sperlik, 317-232-9866.